



# AB 2021 Implementation

IEPR Committee Workshop

April 20, 2007

Energy Commission Staff Presentation



# Today's Agenda

- Logistics
- Format for discussion
- Objectives for today's workshop
  - Focus on the targets and potential studies
  - Describe work in progress
  - Surface uncertainties about assumptions or terms
  - Identify process issues
  - Clarify roles and responsibilities
- Air conditioner provisions will be handled separately



# AB 2021 Intent

(Levine, Chapter 743, Statutes of 2006)

- “...it is the intent of the Legislature that load-serving entities procure all cost-effective energy efficiency measures so that the state can meet the goal of reducing total forecasted electricity consumption by 10 percent over the next 10 years.”
- “Each local publicly owned electric utility...shall first acquire all energy efficiency and demand reduction resources that are cost-effective, reliable, and feasible.”
- “The energy savings achieved through the enactment of this act are an essential component of the state’s plan to meet the Governor’s greenhouse gas reduction targets established in Executive Order S-3-05.”



# AB 2021 Requirements

- POU's identify achievable, cost-effective efficiency potential every 3 years and establish annual targets based on that potential for a 10-year period
- Energy Commission combines POU targets with IOU targets established by the CPUC into a statewide estimate of all potentially achievable electricity and natural gas savings and establishing annual targets over a 10-year period
- POU's report annually on their sources of funding, cost-effectiveness, and verified energy efficiency and demand reduction results from independent evaluations
- Energy Commission compares annual targets to actual energy savings and demand reduction in the IEPR and makes recommendations for improvements as needed



# AB 2021 Schedule

- On or before June 1, 2007, POUs will identify potential and establish annual targets and report those to the Energy Commission within 60 days of their adoption date.
- CPUC provides IOU potential savings and annual targets information to the Energy Commission.
- By November 1, 2007, the Energy Commission “in consultation with the CPUC” prepares a statewide potential estimate and establishes annual efficiency targets in a public process that is based, “at least in part,” on the most recent IOU and POU targets.
- Repeat schedule every 3 years thereafter



## California's Electric Utility Service Areas

Map shows utilities with retail sales





# Panel 1: Setting Statewide Energy Efficiency Targets

## Panelists:

- Eric Wanless, Natural Resources Defense Council (NRDC)
- Zenaida Tapawan - Conway, California Public Utilities Commission (CPUC)
- Jim Parks, Sacramento Municipal Utility District (SMUD)



# Key Topics

- Value of Efficiency Targets to Achieve State Goals
- CPUC's Process for Identifying Efficiency Targets for 2009-2011 Programs
- POU Process for Developing and Adopting Efficiency Targets
- Combining IOU and POU Targets to Create Statewide Goals





## Panel 2: Potential Studies : Similarities & Differences

### Panelists:

- Scott Tomashefsky, Northern California Power Authority (NCPA)
- Mike Rufo, Itron
- Brian Horii, Energy and Environmental Economics, Inc. (E3)
- John Anderson, Rocky Mountain Institute (RMI)



# Key Topics

- Energy Efficiency Potential Studies
  - Methodologies
  - Key terms and definitions
  - Assumptions
  - The significance of differences
- Moving from economic potential to achievable program potential



# Next Steps

- CEC responds to public comments and holds additional workshops:
  - July 10, afternoon
  - August 9, all day
  - August 27, morning
- CPUC launches 2009-2011 planning effort in collaboration with CEC (May-September)
- POUs complete potential estimates and establish targets (report by June 30)